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January 20, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

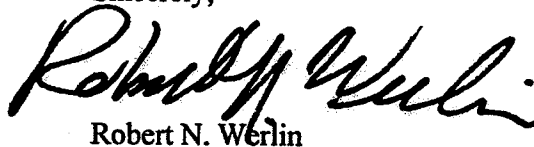
Re: Boston Edison Company, Cambridge Electric Light Company and  
Commonwealth Electric Company, D.T.E. 03-100

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric (the "Company") to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert N. Werlin", written in a cursive style.

Robert N. Werlin

Enclosures

cc: William Stevens, Hearing Officer  
Service List

## **Responses to Information Requests**

**Information Request DOER-1-1**

**Information Request DOER-1-2**

**Information Request DOER-1-3**

**Information Request DOER-1-4**

**Information Request DOER-1-5**

**Information Request DOER-1-6**

**Information Request DOER-1-7**

**Information Request DOER-1-8**

Information Request DOER-1-1

In its Response to DTE 1-2-D, the Company notes that the anticipated resource mix of the green power product for 2004 would be "22 percent biomass, 2 percent wind, and 1 percent solar" and that this estimate is "based on expected enrollment rates and because of the limited quantity of qualifying New Renewable wind and solar contained in the proposals received by the Company."

- A. What enrollment rate was used to arrive at that estimate? Please report both the number of customers and amount of kilowatt-hours for the year 2004 in your response. Please provide all documents relied on or created to develop these calculations.
- B. What quantities of qualifying New Renewable wind and solar renewable energy certificates (REC's) were contained in the proposals received by the Company.

Response

- A. The Company assumed 0.1 percent enrollment for the initial year that the Program was offered. This translated in approximately 800 customers, each with an average use of 500 kilowatt-hours per month. Please see Attachment DOER-1-1 for a calculation of resource mix percentages.
- B. The specific product quantities are subject to on-going negotiations but should approximate 30 Solar RECs and 150 Wind RECs.

## ATTACHMENT DOER-1-1

Approximate Eligible Customers	800,000
Enrollment rate (annual average)	0.10%
Enrolled Customers	800
Average kWh/mo	500
Start date	4/1/2004
Number of program months 12/31/2004	#NAME?
Total Customer usage	#NAME?
Solar Rec's	32 #NAME?
Wind Rec's DISCOUNTED*	79 #NAME?

\* Wind Rec's contained in bids rely on Firm Transmission from NYISO into NEPOOL thus were "discounted" by 50% in volume

Information Request DOER-1-2

In its Response to Comments (at 4), the Company notes that the anticipated cost to customers "would likely result in a roughly 10-15 percent price premium to participating customers."

- A. Was that premium based upon the same anticipated level of participation discussed in DOER 1-1 above?
- B. If not, what level of enrollment was it based upon? Please report your answer in numbers of customers and kilowatt-hours sold for the year. Please also provide documents relied on or created to develop these calculations.
- C. What is the anticipated price premium (in dollars per kilowatt-hour) of the product using the anticipated enrollment in your answer to DOER 1-1? Please provide all documents relied on or created in calculating said anticipated price premium.

Response

- A. All analysis assumed a 0.1 percent enrollment for the initial year of the Program.
- B. See paragraph A, above.
- C. The anticipated price premium is \$0.0128 per kilowatt-hour. Please see Attachment DOER-1-2.

## ATTACHMENT DOER-1-2

Approximate Eligible Customers	800,000
Enrollment rate (annual average)	0.10%
Enrolled Customers	800
Average kWh/mo	500
Start date	4/1/2004
Number of program months	#NAME?
	12/31/2004
Total Customer usage	#NAME?
Rec's Required	#NAME?
Average Price/Rec	\$51.15
Price Premium (\$/kWh)	\$0.0128
Price effect for customer* (\$/mo)	\$6.39

Information Request DOER-1-3

In its Response to DTE 1-4, the Company notes that it will make use of a separate New England Generation Information System (NE-GIS) subaccount to track REC's purchased for the green power product.

- A. How does the Company plan to report to DOER and the Department end-use sales of the green power product for label disclosure and RPS compliance verification?<sup>1</sup>
- B. Please include in your answer a comparison of the Company's planned enrollment tracking method and its similarity to, and differences from, the Electronic Business Transactions (EBT) method of tracking end-use sales used for the National Grid GreenUp Program.

Response

- A. The Company has established distinct Load Asset accounts within the NE-GIS System for tracking of participating customer usage and Renewable Portfolio Standard compliance calculations.
- B. The Company's methodology is consistent with the Department of Telecommunications and Energy's goal of utilizing the NE-GIS System for calculation of generation attributes. The Company will not be tracking enrollment in the Program through the EBT process because customers participating in the Program will be purchasing RECs directly from the Company. Accordingly, the EBT process is not applicable to the Program, as it might be if customers were purchasing RECs from retail competitive suppliers.

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<sup>1</sup>

Pursuant to 220 CMR 11.06(2) the Company must provide label disclosure and pursuant to 225 CMR 14.00 the Company must comply with RPS regulations and verify end-use sales to the satisfaction of DOER.

Information Request DOER-1-4

The Company notes in its Filing Letter at 3 (footnote 5) that it may in the future, propose recovery of "incremental costs" from its green power customers.

- A. Please describe the total cost to the Company of providing this green power product to customers. Please include in your answer which costs have been included in the 10-15 percent price premium.
- B. Please provide the individual amounts and complete documentation of said amounts for each of the following costs in preparing a response to A above:
  - 1. administrative and billing activities,
  - 2. procurement,
  - 3. contracting,
  - 4. staffing,
  - 5. regulatory compliance and third-party auditing (including tracking and reporting of enrollments and end-use sales),
  - 6. marketing,
  - 7. enrollment and switching activities.
- C. Which of the costs in B above will likely cause the Company to seek a recovery of incremental costs? Please provide an estimate of those costs, including documents which support the Company's estimate.
- D. Which of the costs in B above will neither be recovered through the price premium for the product nor the incremental cost recovery? Please provide an estimate of those costs, including documents which support the Company's estimate.

Response

- A-D. Please see the Company's response to Information Request CLC/MEC-1-5.



Information Request DOER-1-5

- A. In developing the Company Filing, what consideration did NSTAR give to the impact of offering the NSTAR Green product on attribute-only renewable energy certificate products (such as Regen and Sterling Planet) currently offered in the NSTAR territories?
- B. What did NSTAR conclude, if it considered this impact? Please provide all documents in which this question was discussed.

Response

A&B. Please see the Company's response to Information Request CLC/MEC-1-15.

Information Request DOER-1-6

In its Response to DTE 1-3 (Attachment DTE 1-3), the Company notes that a "Web Page Info/Reservation List" and "Press Release" were utilized in "Pre-Launch (Fall '03)."

- A. Please provide the text that was featured on the Company's Web Page describing the NSTAR program and characterizing the status of Department's approval process.
- B. Please provide the text of the Press Release circulated to press agencies prior to the launch of this program and the list of recipients of that release.
- C. Please provide a full description, and copies, of any other marketing or bill insert activities conducted to date with any reference to the NSTAR Green product.
- D. Please report the number of customers that have requested to be added to the Company's reservation list to date.

Response

- A. Please refer to the Company's NSTAR Green Program web page at [http://www.nstaronline.com/customer\\_service/rates/nstar\\_green.asp](http://www.nstaronline.com/customer_service/rates/nstar_green.asp). Please also see Attachment DOER-1-6(a)
- B. Please see Attachment DOER-1-6(b).
- C. No other marketing activity has taken place. Requests for information have been made to the Company and have been answered by appropriate Company representatives. Please see Attachment DOER-1-6(c) for a copy of the information prepared for Company personnel to respond to customer inquiries.
- D. Sixty five customers have requested to be added to the reservation list as of January 2, 2004.



NSTAR  
Green

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Search:

NSTAR is planning to offer Green Power to its customers early in 2004.

Right now, we are taking information from our customers who would like to be placed on a reserve list.

#### How does it work?

Once you enroll, 25 percent of the electricity you use will go to support renewable energy sources such as solar, wind, hydro, or biomass power that is sent to the New England power grid.

#### What does it cost?

The cost of this option will be determined once our power bidding process is final, and once approved by the [Massachusetts Department of Telecommunications and Energy](#). Our web site will have more specific rate information once this pricing is approved.

#### Why is NSTAR offering this new option?

Through research, many of our customers told us they were interested in an option that included renewable energy. We're also making this available to our customers to support a robust renewable energy market, and help foster a competitive energy supply market in the New England region.

#### Who can enroll?

All residential and small commercial/industrial customers who receive an NSTAR Electric bill or bills. NSTAR customers on competitive supply are not eligible for this option.

#### How do I enroll?

Right now, NSTAR is placing interested customers on a reserved list. The scheduled launch of the program is during the first quarter of 2004. Once NSTAR Green is launched we will contact you directly to confirm your participation. Simply complete this [simple form](#) and your name will be on our reserve list.

Once the program is launched, you can sign up for NSTAR Green on your next meter reading date as long as you let us know three days prior to that date. Similarly, to end your participation in the program you simply need to let us know three days prior to your next meter reading date.

Stay tuned. As we finalize the details of our new NSTAR Green option, we will update this page.

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**NSTAR**  
**ELECTRIC**  
**GAS**

800 Boylston St., Boston, Massachusetts 02199

ATT. DOER-1-6(b)

**PRESS RELEASE**

For more information:

Mike Durand (508) 441-5831

Evenings/Weekends: (617) 541-7888

**Immediate release**

## **NSTAR TO ADD GREEN POWER OPTION TO LIST OF CUSTOMER CHOICES**

### ***NSTAR Green to meet 25 percent of electricity needs from new renewable sources***

**(Boston, MA. October 16, 2003).** NSTAR today filed with the Massachusetts Department of Telecommunications and Energy (DTE) to offer customers a new, environmentally-sound energy option for their homes or businesses. If approved, *NSTAR Green* would meet 25 percent of a customer's electricity needs from new, renewable energy resources. Choosing green power sources, including wind, solar and hydro, reduces reliance on fossil fuels to meet the region's power needs.

"*NSTAR Green* is a significant step forward in promoting renewable energy options," said Joseph R. Nolan, NSTAR's Senior Vice President of Customer Care & Corporate Relations. "NSTAR is committed to offering our customers an increasing number of choices to meet their electricity and customer service needs."

NSTAR responded to customer requests for a green power offering and has worked to make *NSTAR Green* a one stop shopping option. Once approved by the DTE, participation will be as easy as calling NSTAR to enroll. NSTAR is administering *NSTAR Green* by partnering with regional green power providers. Customers can continue to contact NSTAR for all their customer service needs.

*NSTAR Green* is available to NSTAR residential and small commercial customers who receive either Standard Offer Service or Default Service. NSTAR is currently negotiating with green electricity suppliers for the best possible price for this premium service. As with current Standard Offer and Default Service rates, NSTAR will make no profit on the *NSTAR Green* option.

To further promote renewable resources, NSTAR also announced plans to install 2,000 watts of solar panels on the roof of their Westwood office building. This commitment to promoting green power technology will also provide a training site for the solar power industry, as well as opportunities for future technology development.

NSTAR is Massachusetts' largest investor-owned electric and gas utility. NSTAR, headquartered in Boston, transmits and delivers electricity and natural gas to 1.4 million residential and business customers in more than 100 Eastern and Central Massachusetts communities. For more information about NSTAR, visit: [www.nstaronline.com](http://www.nstaronline.com).

###

**ATT. DOER-1-6(c)****What is NSTAR Green?**

NSTAR Green is defined as electricity generated from renewable resources such as solar, wind, hydro or biomass. If approved, by the Massachusetts Department of Telecommunications & Energy, NSTAR will be offering the NSTAR Green option in the first quarter of 2004. If approved, NSTAR Green would meet 25 percent of a customer's electricity needs from new, renewable energy resources. NSTAR Green will be a premium option on the NSTAR electric bill. As with current Standard Offer and Default Service rates, NSTAR will make no profit on the NSTAR Green option.

**What is the purpose?**

NSTAR is offering this new option because customer research shows that this is an option our customers want. We're also making this available to our customers to support a robust renewable energy market, and help foster a competitive energy supply market in the New England region.

**Who is eligible?**

NSTAR will be offering the NSTAR Green option to our residential and small commercial/industrial customers in the first quarter of 2004.

**What's happening now?**

At this time we are taking information from our customers who would like to be placed on a reserve list. Prior to the actual implementation a company representative will contact the customer regarding start up information.

**What if the customer does not want to participate in program now?**

If the customer does not want to be placed on the reserve list at this time they may sign up for this service in the future by contacting us via telephone, or they may visit our web site at [www.nstaronline.com](http://www.nstaronline.com)

**How does the customer get on the list?**

If a customer would like to be on the reserve list, we will need the following information:

- ✓ Account number
- ✓ Name
- ✓ Address
- ✓ A telephone number where we may contact them.

**What do you do with this information?**

1. From the Working At NSTAR Intranet *click* [www.nstaronline.com](http://www.nstaronline.com)
2. From the Home page *click* NSTAR Green (located at the bottom of the page)
3. From the NSTAR Green page *click* [simple form](#) found in the **How do I enroll?** paragraph.



4. Once the NSTAR Green form opens you may save it to your favorites for quick future access by clicking your **Favorites** folder found on the Main Menu Bar.
5. Enter all the required information.
6. Click submit.

### **What do you do if the customer has complex questions?**

If the customer has complex questions regarding NSTAR Green, contact your supervisor.

### **What's happening in the future?**

Once approved by the DTE for a January start date, customers interested in participating in the NSTAR Green program will not longer have to be placed on a reserve list. When you receive the customer call, process the NSTAR Green rate change and advise the customer that it will become effective with the next scheduled meter reading.

If the customer has a competitive supplier, the customer must choose NSTAR as their supplier in order to participate in the NSTAR Green program.



## NSTAR Electric Green Power Rates

Company	Present Rate	Rate Description	Green Power Rate
Boston Edison	10A1	Res Non-heating	10H1
Boston Edison	10A7	Res Multi-Unit	10H7
Boston Edison	10A2	Res Assistance	10H2
Boston Edison	20A3	Res Assistance- Heating	20H3
Boston Edison	20A4	Res Heating	20H4
Boston Edison	10A8	Res Multi-Unit Heating	10H8
Boston Edison	10A5/A6	Res Time-of-Use	10H5/H6
Boston Edison	30A9	General Non-Demand	30H9
Boston Edison	30B1	General Demand	30J1
Boston Edison	30B2	Large General Secondary	30J2
Boston Edison	30B9	Large General Secondary	30J3
Boston Edison	30B5/B6	Gen Optional T.O.U.	30J4/J5
Boston Edison	30C1	Municipal Street Light	30J6
Boston Edison	30C2	Street Light Customer Owned	30J7
Boston Edison	30C4	Street Light Customer Owned	30J8
Boston Edison	30C3	Outdoor Lighting	30J9

Company	Present Rate	Rate Description	Green Rate
Cambridge Electric	1001	Residential Non-Heating	10L1
Cambridge Electric	1005	Residential Assistance	10L2
Cambridge Electric	2004	Residential Heating	20L3
Cambridge Electric	2007	Res. Assistance Heating	20L4
Cambridge Electric	1048/49	Res. Time-of-Use	10L5/L6
Cambridge Electric	1010/16	Res. T.O.U. Space Heat	10L7/L8
Cambridge Electric	3006	General Non-Demand	30L9
Cambridge Electric	3002	General	30M1
Cambridge Electric	3052/53	General Time-of-Use	30M2/M3
Cambridge Electric	3036	Commercial Heating	30M4
Cambridge Electric	3051/54	Gen. Non-Demand T.O.U	30M5/M6
Cambridge Electric	3019	Street Lighting	30M7
Cambridge Electric	3080	Area/Flood Lighting	30M8

# NSTAR Green



## NSTAR Electric Green Power Rates

Company	Present Rate	Rate Description	Green Rate
Commonwealth Electric	1032	Res Non-Heating Annual	10P1
Commonwealth Electric	1166	Res Non-Heating Seasonal	11P2
Commonwealth Electric	1168	Res Non-Heating Optional	11P3
Commonwealth Electric	1030	Res assistance Annual	11P4
Commonwealth Electric	1137	Res Assistance Seasonal	11P5
Commonwealth Electric	1138	Res Assistance Optional	11P6
Commonwealth Electric	2086	Residential Heating	20P7
Commonwealth Electric	2042	Res Assistance Heating	20P8
Commonwealth Electric	1057	Water Heating Annual	10P9
Commonwealth Electric	1158	Water Heating Seasonal	11Q1
Commonwealth Electric	1059	Water Heating Seasonal	10Q2
Commonwealth Electric	1039/40	Residential Time-of-Use	10Q3/Q4
Commonwealth Electric	3033	General Annual	30Q5
Commonwealth Electric	3135	General Seasonal	31Q6
Commonwealth Electric	3123	General Optional	31Q7
Commonwealth Electric	3041	General Power	30Q8
Commonwealth Electric	3088	Commercial Heating	30Q9
Commonwealth Electric	3022	All Electric School	30U1
Commonwealth Electric	3055/56	General Time-of-Use	30U2/U3
Commonwealth Electric	3131/34	General T.O.U. Seasonal	31U4/U5
Commonwealth Electric	3079/81	Area/Flood Lighting	30U6



Information Request DOER-1-7

In its Response to DTE 1-6 (at 3), the Company notes that "the Company is willing to include the names and numbers of Massachusetts licensed retail competitive suppliers or municipal aggregators that have a retail green product via a web link from the Company's NSTAR Green web page" and that "the Company is willing to withhold any direct marketing efforts of NSTAR Green to customers served by a municipal aggregator."

- A. Is the Company willing to further customize its direct marketing to include the featuring of any retail green products available in the NSTAR Company territories?
- B. Please include in your answer the process planned by the Company to withhold marketing of NSTAR Green in bill inserts for customers in Cape Light Compact territories as compared to customizing bill inserts for customers in the Compact area to include any suppliers with green products available only in those areas (such as a Cape Light Compact green power product).

Response

- A. As noted in the question, the Company has offered to include the names and numbers of Massachusetts licensed retail competitive suppliers or municipal aggregators that have a retail green product via a web link from the Company's NSTAR Green web page. This will allow customers that are considering the NSTAR Green Program by reviewing the Company's NSTAR Green web page to learn about other options that are available to them from the competitive market. Beyond referencing the names and numbers of such licensed competitive suppliers or municipal aggregators, the Company does not intend to market or otherwise promote their products.
- B. The Company has offered to restrict direct marketing of NSTAR Green to Cape Light Compact customers. NSTAR would withhold any bill inserts or other direct marketing materials from those customers being directly served by Cape Light Compact

Information Request DOER-1-8

Please provide all documents which discuss or mention NSTAR's consideration of offering a green product to its customers.

- A. Specifically, provide any strategic planning documents and internal Company memos which address the naming or description of the program or discuss various approaches to providing this product.
- B. Include in this response all memos to senior management, and meeting notes in preparation for, or from meetings with senior management regarding the decision to offer the product.

Response

Please see the Company's response to Information Request CLC/MEC-1-3(Supp) and Attachment CLC/MEC-1-3(Supp) **BULK**, filed on January 15, 2004. Because the attachment is a bulk document, 1 copy is being provided to the DOER only. Copies have been provided previously to the Department and the Compact.